NCA
VOC FOR IOP/FN
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U.S. NEGOTIATORS ON TRADE PACT

ANNCR:

RANKING U.S. TRADE NEGOTIATORS HAVE EXPRESSED CONFIDENCE THAT THE CURRENT GENEVA TALKS WILL PRODUCE THE FRAMEWORK FOR ADDITIONAL REFORMS IN WORLD COMMERCE. VOA BUSINESS AND ECONOMICS EDITOR FRANK FEINBERG HAS THIS BACKGROUND REPORT:

VOICE:

THE TRADE NEGOTIATIONS AT GENEVA HAVE NOT PROGRESSED AS QUICKLY AS ADVOCATES OF FREER TRADE HAD HOPED FOR. NOW, HOWEVER, TWO TOP AMERICAN NEGOTIATORS SAY THEY EXPECT THE MORE THAN NINETY PARTICIPATING NATIONS TO AGREE ON A TRADE LIBERALIZATION PACKAGE BEFORE YEAR'S END.

PRESIDENTIAL TRADE ADVISER ROBERT STRAUSS AND THE CHIEF U.S. NEGOTIATOR AT GENEVA, ALONZO MCDONALD, TOLD NEWS MEDIA (MARCH FIFTH AND SIXTH) THEY ANTICIPATE THAT THE PROLONGED NEGOTIATIONS WILL YIELD A NEW INTERNATIONAL ACCORD PROVIDING FOR MORE TARIFF REDUCTIONS AND REMOVAL OF OTHER TRADE BARRIERS.

THE U.S. EXPERTS CAUTION THAT ANY NEW ACCORD EMERGING FROM GENEVA WILL NOT BE A CURE-ALL FOR THE MANY TESTY INTERNATIONAL TRADE CHALLENGES. MANY PROBLEMS WILL REMAIN TO BE NEGOTIATED. BUT THE POTENTIAL FOR A GREATER FLOW OF INTERNATIONAL TRADE WILL HAVE BEEN IMPROVED.

THE HOPEFUL VIEWS OF THE AMERICAN TRADE NEGOTIATORS COMES ADMIDST WARNINGS ABOUT PROTECTIONIST THREATS TO FREE TRADE. DIRECTOR GENERAL OLIVIER LONG OF THE GENEVA-BASED GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT) TALKS OF "STRESSES THAT NOW SERIOUSLY THREATEN THE WHOLE FABRIC OF POSTWAR CO-OPERATION IN TRADE POLICY." PRESIDENT CARTER IS BASICALLY COMMITTED

TO FREE TRADE, AND HAS TRIED TO STEM PROTECTIONIST SENTIMENT IN THE UNITED STATES WITH PROGRAMS TO HELP IMPORT-AFFECTED INDUSTRIES, INCLUDING STEEL, TELEVISION AND FOOTWARE. THE MID-JANUARY TOKYO AGREEMENT UNDER WHICH JAPAN AGREED TO THE LOWERING OF SOME TARIFFS AND THE LIBERALIZATION OF QUOTAS ON SOME AGRICULTURAL COMMODITIES IS VIEWED AS A HELPFUL MEASURE.

THE CARTER ADMINISTRATION HOPES TO HAVE A GENEVA TRADE ACCORD BEFORE THE END OF THE YEAR, TO BE PRESENTED TO THE CONGRESS IN EARLY 1979. ANY INTERNATIONAL ACCORD THAT REQUIRES CHANGES IN U.S. LAW IS SUBJECT TO CONGRESSIONAL APPROVAL. MEANTIME, A PRINCIPAL UNKNOWN IN THE IMMEDIATE OVERALL TRADE PICTURE IS THE 1978 ECONOMIC PERFORMANCE WORLD-WIDE.

VICE-PRESIDENT LAWRENCE FOX OF THE (PRIVATE) U.S. NATIONAL ASSOCIATION OF MANUFACTURERS THINKS THAT GLOBAL TRADE OVER THE NEXT FEW YEARS WILL EBB AND FLOW. BUT HE REMAINS BASICALLY OPTIMISTIC FOR THE LONGER PULL. HE POINTS OUT THAT THE INTERNATIONAL TRADE SYSTEM, WHILE BATTERED DURING THE DEEP 1974-75 RECESSION, DID NOT FALL APART.

JS/RCS